

## **Additional FR Mechanisms for Municipalities**

In addition to the financial responsibility (“FR”) options available to UST owners and operators, local governments have additional compliance methods tailored to their special characteristics.

- **A bond rating test.** A local government owner or operator may demonstrate (or guarantee) FR by passing a bond rating test.
- **A financial test.** A local government owner or operator may demonstrate (or guarantee) FR by passing a financial test.
- **A dedicated fund.** A local government owner or operator may demonstrate (or guarantee) FR by establishing a fund.

The additional compliance methods listed above are available to municipalities through Subpart H of the federal UST regulations. While section 109 of the state UST regulations does not currently offer municipalities these methods for complying with FR requirements, the Department is allowing them to be used. Future revisions to section 109 of the state UST regulations may include these 3 additional methods.

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